



MEDIA RELEASE

STATE OF TENNESSEE
DEPARTMENT OF COMMERCE AND INSURANCE

FOR IMMEDIATE RELEASE
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CROSSVILLE TRAVEL FIRM ORDERED TO CEASE ILLEGAL INSURANCE ACTIVITIES

NASHVILLE, TENN. - The Commissioner of the Tennessee Department of Commerce and Insurance today ordered Crossville, Tennessee-based Trip Assured, Inc. to immediately cease the sale and marketing of travel insurance products and services which are not offered through a licensed insurance company.

Following an investigation by the Department's Insurance Division, the Division initiated an administrative action requesting the Commissioner to conclude that some of the products that Trip Assured markets as "travel protection" products constitute insurance contracts that Trip Assured is not authorized to sell.

Commissioner Paula A. Flowers stated in her order that "because Trip Assured operates as an unauthorized insurance company, those that purchase insurance from or through it face serious risks. The underwriting of insurance by the respondent without any substantive regulatory oversight to ensure lawful policy forms, rates, claims handling, and, most importantly, the financial solvency of the respondent leaves those policyholders in danger. If an insurer does not have adequate reserves to cover its liabilities, many policyholders may be effectively without insurance coverage."

Trip Assured became licensed as an insurance agency in 2005, and does sell other insurance products such as accidental death and dismemberment insurance as well as identity theft insurance. These insurance products are underwritten by licensed insurance companies including St. Paul Travelers and Chesapeake Life.

However, the Crossville company assumed the financial risk for other "travel protection" products and services, especially its trip cancellation product which paid the policyholder in the event that his or her trip was cancelled for some reason. By assuming the financial risk for the liabilities created by the trip protection products, Trip Assured is acting as an insurance company and needs to be licensed as such to continue to operate in this state, as well as meet all the other requirements imposed on insurance companies such as the filing of policy forms, rates, meeting claims handling requirements, and being financially solvent.

Consumers are encouraged to always check to make sure they are working with a licensed carrier in any insurance transaction. To file a complaint against Trip Assured, please call the Consumer Insurance Services section at 800-342-4029.

A copy of the Order to Cease and Desist and the administrative Petition can be found on TDCI's website at www.state.tn.us/commerce.

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